Taking the Risk Out of Retirement

THE HISTORY

In order to understand how to take the risk out of your retirement you must first appreciate where you are and how you got here. The Baby Boomers…and all the generations after them will be forced to support their retirement, basically on their own. Why? In all prior generations most people were covered by defined benefit plans. This means they receive a defined benefit or a fixed amount of money during retirement…money that they could count on.

In the late 1970's all of that changed with the introduction of IRA's and 401(k)'s. These plans were originally intended to be *supplements* to defined benefit plans not *replacements* of defined benefit plans. Companies soon discovered that in comparison to 401k's and IRA's the cost of defined benefit plans were very high. As a consequence these companies started phasing out their defined benefit retirement plans in favor of the company 401(k) plans. 401(k) plans are quite different than the old company retirement plans - they are what's known as a defined *contribution* plans. Meaning you can put in a defined contribution base, but there are no guarantees on what if any thing you will get from them during your retirement.

THE RESULT

The result of this transfer from defined benefit plans (company pension plans) to defined contribution plans (401(k) and IRA's) - average Americans are now responsible for making the right investment choices within their plans. Time has demonstrated this has not proven effective. The average Baby Boomer has approximately $60,000 saved up for their retirement. This is not much more than a year's income which is why the Bureau of Labor Statistics has estimated that only five percent of the American public will be able to maintain their lifestyle when and if they are able to retire.

THE REASON

There are several reasons for this. First, of all most folks were never taught in school….or any place else for that matter, how to manage their retirement money. This is driven home by the fact that numerous 20 year studies have proven time and time again the average mutual fund investor only receives a rate of return that is less than one third of what the S & P 500 has averaged. These studies have shown that investors have moved their money around trying to get a better rate of return. When you combine this low rate of return with the fact that the cost of owning a 401(k) averages more than *three percent* it becomes quite obvious why these plans are *not* delivering the intended retirement results people are planning on. .

THE SOLUTION

The Better Money Method strongly believes in Warren Buffett's rules of investing…"The first rule of investing is not to lose any money; the second rule is to always remember the first rule." To accomplish this goal we specialize in using little known but time proven retirement instruments that enable our clients and tens of thousands of other Americans to completely eliminate all market risks from their retirement plans. Our strategy also provides a proven stream of tax-free retirement income, much like the pension from the past.

Our process is straight forward and effective. We use our proprietary software which allows us to compare your existing retirement plan to our strategy. Once we have your specific numbers we can do a side by side comparison of your plan to our strategy. Our software allows us to vary rates of return and changes in tax rates to show you how your current plan will perform in retirement. To date, our strategy has outperformed all others.

If you would like to have your current plan compared to our strategy on a side by side basis at no cost, please contact: Allen L. Campbell allen.ins@sbcglobal.net or (559) 897-9151 CA DOI LIC#:0F88924